

**STATE BUDGET COMMITTEE MEETING MINUTES**  
**April 28, 2006**

**MEMBERS:**

Senator Robert Meeks, Chairperson  
Representative Jeffrey K. Espich  
Senator Vi Simpson  
Representative William C. Cochran  
Charles E. Schalliol, State Budget Director

**ALTERNATE MEMBERS:**

Senator Tom Wyss  
Representative Lawrence Buell  
Senator Lindel O. Hume  
Representative Dennis Avery

The business meeting was held at 9:00 AM on April 28, 2006 at the University of Southern Indiana in Evansville, Indiana. Six projects and three review items were on the agenda. Senator Meeks called the meeting to order. Director Schalliol made a motion to amend the agenda by adding Amendment 1, Review of the Indiana Bond Bank's request for the use of the state's moral obligation on the financing for the Northeast Indiana Regional Public Safety Academy to the agenda. Representative Espich seconded the motion. During the discussion of the projects, Director Schalliol made a motion to amend the agenda by changing the project name of item #2 under the University Projects section of the agenda from "Indiana University Student Fee Bonds Series Q" to "Indiana University Student Fee Bonds Series R." Senator Hume seconded the motion. After discussion of the projects, Director Schalliol moved to pass the agenda as amended and Representative Espich seconded the motion. The motion passed with five ayes. The committee then discussed the three review items.

**State Agency Projects**

3950 301300	<u>Indiana Veteran's Home (570)</u>	\$800,000
700001	Pyle Hall Remediation, Air Handlers & Abatement	

This project request is for funding to remediate/install primary air handling units in individual rooms and to abate mold and asbestos in Pyle Hall floors 2 and 3 prior to resident reoccupation. Individual unit replacement is also needed in the basement and on the first floor of Pyle Hall, this was originally budgeted in a prior request. However, there were unforeseen issues with abatement which exceeded the original budget request.  
(2001 Veteran's Home Fund – R&R Veteran's Home, Energy Management System)

3800 342670	<u>Wabash Valley Correctional Facility (665)</u>	\$3,141,915
700001	Special Confinement Unit Project No. B31-501	

This project request is for funding to address two concerns at the Wabash Valley Correctional Facility. The first is the removal of the mentally ill offenders from the Secured Housing Unit (SHU) and the second is to have a true continuum of service including step down provisions for the DOC's mental health offenders. These services will be provided at the New Castle Correctional Facility. The proposed capital project will enclose existing

outdoor recreational areas and create new secure outdoor recreation areas on the outside corners of the building and also increase security by adding cameras in the individual cells and the newly constructed recreation areas.

(2003 Post War Construction Fund – R&R Wabash Valley Correctional Facility)

**University Projects**

University of Southern Indiana (775) \$7,250,000  
Recreation and Fitness Center Expansion – Phase II  
Project No. G-0-05-1-02

The Trustees of the University of Southern Indiana request authority to proceed with construction and financing of the Recreation and Fitness Center Expansion-Phase II. The primary function of this 25,912 ASF/45,070 GSF addition will be to provide wellness, recreational, and physical fitness facilities for the general student population. It will also supplement facilities for instruction in the physical education curriculum and add venues for the intramural sports program. Debt service payments and operating expenses will be funding through mandatory student fees. This project is not eligible for plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding: 2005 Bonding Authority \$7,250,000  
Debt Service paid with mandatory student fees  
No annual plant expansion requested

CHE Review: March 10, 2006

Indiana University (750) \$110,000,000  
Indiana University Student Fee Bonds Series R  
Project No. A-0-06-6-05

Indiana University requests approval to proceed with the issuance of student fee bonds to refund up to \$110,000,000 of the currently outstanding student fee bonds comprising a portion of Series K, Series L, Series M, Series N, Series O and Series P. Indiana University may combine any refunding transaction authorized hereby with any new issuance to finance projects which have been approved by the State Budget Committee and may issue refunding bonds in an amount necessary to provide for an adequate escrow for the refunded bonds, together with any costs associated with issuance as allowed by law. Based on market conditions as of this writing, the size of the refunding transaction is estimated to be approximately \$37 million and would refund only bonds originally issued under Series K and Series M. At current rates, the net present value of debt service savings is estimated at approximately \$1.3 million. The refunding transaction will not extend the maturity dates of the bonds being refunded. Bonds will only be selected for the refunding transaction if such bonds produce a positive net present value savings. Further, the aggregate net present value of debt service savings for the entire refunding transaction will be no less than 3% of the refunded bonds. The permanent financing package is subject to approval by the State Budget Director.

Funding: Previously Approved Student Fee Bonds \$110,000,000

Indiana University – Indianapolis (750) \$1,600,000  
Campus Center – Cavanaugh Hall Sky Bridge  
Project No. A-2-06-1-11

The Trustees of Indiana University request authorization to proceed with the construction of a sky bridge that will span University Boulevard and connect Cavanaugh Hall on the second and third levels and the Campus Center at the second floor level on the IUPUI campus. The project will condition the space with heating and cooling and will provide many critical and mutual benefits to the students, faculty, and staff who use both buildings, such as increased safety, improved functionality, and updated work and public space. No annual plant expansion is requested for this project.

Funding: Capital Projects/Land Acquisition Reserves \$1,600,000  
CHE Review: April 13, 2006

Ivy Tech Community College (710) \$15,000,000  
Northeast Indiana Regional Public Safety Training Academy capital lease  
Project No. F-0-06-5-04

The trustees of Ivy Tech Community College request authority to proceed with entering into a lease with the City of Fort Wayne for the Northeast Indiana Regional Public Safety Training Academy. HEA 1120-2005, section 88 mandates that Ivy Tech enter into the lease by June 30, 2007, after review by the state budget committee and approval by the budget agency, in order to offer public safety related degree programs. The facility will consist of approximately 150,000 square feet of joint-use training and educational space. The College will be provided first priority options to offer classes in the Training Academy. The lease will require annual appropriation for the fifteen-year period of the capital lease in order for the city to maintain the lease payments. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion.

Funding: Capital appropriation (15 years) \$1,000,000 per year  
CHE Review: April 26, 2006

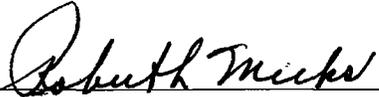
## Review Items

21<sup>st</sup> Century Fund

ISTEP+ Remediation Distribution

Review of the Indiana Bond Bank's request for the use of the state's moral obligation on the financing for the Northeast Indiana Regional Public Safety Academy

Pursuant to the provisions of IC 4-12-1 and IC 20-12, the State Budget Committee recommends approval of the forgoing projects.



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Chairperson



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Budget Director



STATE OF INDIANA  
OFFICE OF THE GOVERNOR  
State House, Second Floor  
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.  
Governor

**Bond Approval Certification**  
**For**  
**Higher Education Projects Pursuant to IC 20-12**

**To:** Chair, State Budget Committee  
**From:** Governor of Indiana  
**Re:** Approval of Bond Issuances from State Budget Committee Meetings  
**Minutes from:** April 2006  
**Date:** 4/28/06

Dear Chairman Meeks:

In accordance with statute, I am required to approve the bond issuances certified to me by the State Budget Committee for certain projects related to higher education. As such, pursuant to IC 20-12, I hereby approve the bond issuances for the related university projects approved in the above referenced State Budget Committee Meeting Minutes.

Signed:

  
Mitchell E. Daniels, Jr.  
Governor